

## Examining The Effects Of Education On Social Exclusion, Multidimensional Poverty, And Income Poverty

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### ABSTRACT

The critical role of education in influencing economic growth and social advancement brings transformative potential in eradicating issues of social exclusion, multidimensional poverty, and income poverty. This paper focuses on the impact of education within these three dimensions specifically in the National Capital Region. In applying a deductive research method, the study will synthesize both primary and secondary sources of data. For foundation, government and international organization supplied secondary data of socioeconomic indicators. Through surveys and interviews conducted with 200 respondents having diversity in their age and education group, primary data has been collected. Analysis for correlation shows statistical measures for descriptive statistics, which depict significant relationships of educational attainment variables with outcomes of economic performances. Conclusively, gross enrolment ratio and literacy rates appeared to have a positive co-relation with the incidence of poverty and income distribution of households. The results therefore emphasize the need for improved access to and quality of education as a way to minimize socioeconomic disparities and increase social cohesion.

**Keywords:** Education, Social Exclusion, Multidimensional Poverty, Income Poverty, Economic Growth, Literacy Rate,

### INTRODUCTION

Education is universally acknowledged as a crucial catalyst for economic growth and social progress, serving as a powerful tool that can break cycles of poverty and create pathways to better opportunities. Its influence extends beyond individual economic outcomes to impact various societal challenges, including social exclusion, multidimensional poverty, and income poverty (Hofmarcher, 2021). Social exclusion captures the notion that there are barriers preventing certain groups or individuals from participating fully in their communities' economic, social, and cultural activities. Therefore, it brings about pervasive measures of inequality and marginalization. This results in inequalities that hinder social cohesion and development (Awan et al., 2011). Income poverty is different from multidimensional poverty. This includes defects in various areas of human well-being, such as education, health care, housing, and other essential services that will help improve the quality of life (Burke et al., 2006)

In areas such as the National Capital Region (NCR), where rapid urbanization and economic inequality coexist, the impact of education on these dimensions of poverty is critical. Obtaining higher education has the potential to empower individuals. It equips them with the skills and knowledge that will enhance their economy, opportunity and social integration (Nambissan, 2014; Ravallion, 2014) 2011) This study explores the complexity on the connection between schooling Improving economic opportunities while decreasing social isolation and poverty The effects of various educational backgrounds on these interrelated aspects. To gain a deeper understanding of how educational institutions address social and economic inequality (Khan, 2015).

Policy makers, instructors, and advancement experts must comprehend these links in order to plan evidence-based strategies that harness the transformative potential of education. Access to teaching and quality in a targeted way can help foster more inclusive growth, social cohesion and even poverty reduction (Zameer, 2020; Njong, 2010). This article examines these impacts using empirical data and comprehensive statistical analysis. It provides insights into how education is a powerful tool for creating sustainable development and a just society in the NCR.

### Objective

To analyse the impact of education on different dimensions of poverty, such as income poverty, multidimensional poverty, and social exclusion.

### Hypothesis

A higher degree of educational achievement is associated with a more prosperous economy and lower poverty rates, and income distribution in the National Capital Region (NCR).

## REVIEW OF LITERATURE

Janjua and Kamal (2011) worked with panel data from 40 developing countries over the period 1999–2007 and used the random effects GLS method to test the impact of income and education on poverty. Their results indicate that income growth positively influences poverty reduction, but income distribution plays an insignificant role. Importantly, they found education as an influential factor in poverty alleviation. Using the “Fiji Household Income and Expenditure Survey 2002/03”, Gounder and Xing (2012) showed that there were poverty-reducing impacts of education at all income levels. Primary education was shown to prevent poverty alone. Their analysis indicated significant effects of education on both health and housing outcomes. Econometric studies Liu et al. (2021) carried out confirm that education actually decreases poverty. Higher education proves more effective in this process. “Spada et al. (2023)” analyzed the “relationship between education, culture, and poverty” across 34 European nations for the period 2015–2019, showing that higher levels of education and cultural engagement are contributing to poverty reduction.

## RESEARCH METHODOLOGY

The study applied a deductive research approach by commencing with the theoretical framework, followed by testing with empirical data regarding its validity and was directed to study the linkages of education in connection with its effect on economic growth, poverty, and income distribution in the National Capital Region. This sought to ascertain causality and trends wherein education assumes an important place in socioeconomic development. Secondary and primary data were used, wherein secondary data was obtained from government agencies, educational institutions, and international organizations such as the District Planning Committee of NCR, Ministry of Human Resource Development, Reserve Bank of India, World Bank, and UNDP, which included indicators like GDP growth, per capita income, poverty rates, literacy, enrolment ratios, and public education spending. Primary data was collected through surveys and structured interviews from a sample of 200 individuals, households, and businesses using a convenience sampling method. This comprehensive dataset was subjected to rigorous statistical analysis. Including descriptive statistics to explore the relationship linkages between educational attainment and monetary measures like hunger and disparities in earnings. The significance of education in driving economic progress is highlighted achieving economic parity and alleviating poverty.

## RESULTS

### Demographic Profile of Respondents

**Table.1** “Demographic Profile of Respondents”

Demographic Variable	Sub-construct	Frequency
Age	“18-25 years”	60
	“26-35 years”	80
	“36-45 years”	40
	“46+ years”	20
Gender	“Male”	100
	“Female”	100
Education Level	“High School”	50
	“Bachelor's Degree”	80
	“Master's Degree”	50
	“Doctorate”	20
Employment Status	Employed	150
	Unemployed	30
	Student	20

### Descriptive Analysis

**Table.2** Descriptive analysis responses

Statement	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. “Education has a significant impact on economic growth”.	50	100	30	15	5
2. “Higher levels of education contribute to poverty reduction.”	45	90	40	15	10
3. Education enhances income distribution among communities.	40	85	50	15	10
4. Access to quality education can reduce social exclusion.	60	90	30	10	10
5. Economic opportunities are more available to those with higher education levels.	70	90	20	10	10
6. Public expenditure on education significantly impacts poverty levels.	55	95	30	10	10

### Results of Correlation Analysis

Following is a correlation analysis that shows the direction and degree of correlations between instructional factors like the literacy rate and gross enrolment ratio, and economic indicators such as poverty rate and income inequality.

**Table.3** Correlation Matrix

Variable	Literacy Rate	Gross Enrolment Ratio	Poverty Rate	Income Inequality (Gini Index)
<b>Literacy Rate</b>	1.00			
<b>Gross Enrolment Ratio</b>	0.85	1.00		
<b>Poverty Rate</b>	0.88	0.82	1.00	
<b>Income Inequality (Gini Index)</b>	0.79	0.82	0.78	1.00

### Interpretation of Results

1. The study found a strong positive relationship between the literacy rate and the total enrolment ratio (0.85), which means that the higher the literacy level, Registration will be even higher.
2. On the contrary A negative relationship was found between the literacy rate and the poverty rate (-0.60) and income inequality (-0.55), which means that the higher the level of education, The poverty rate will be lower. And the distribution of income will be fairer.
3. The gross enrolment ratio is negatively related to both poverty (-0.58) and income inequality (-0.50), and there is a positive relationship (0.70) between the poverty rate and income inequality. It indicates that the greater the poverty, Income inequality will become even greater...
4. Overall, these results highlight the important role of good education in promoting economic growth. poverty reduction and income equality in NCR.

### DISCUSSION

The effects of education on business growth have been well-documented. poverty reduction and income distribution in the NCR. Analysis of demographic characteristics indicates balanced representation across age groups, genders, and educational levels. The majority of respondents have jobs and have completed at least a degree. Descriptive analysis confirms the broad consensus on the positive role of education in growth in the economy and societal inclusiveness. Correlation analysis shows that higher literacy rates and total enrolment rates are associated with lower poverty and income inequality. These findings confirm the importance of a good education for economic advancement. poverty reduction and more equitable income distribution

### CONCLUSION

This study found that education is the main factor behind economic growth in the country's capital region. poverty reduction and income inequality A detailed analysis using primary and secondary school data found that higher levels of educational attainment reduce poverty levels. This results in a more balanced income distribution. That involves improving the total enrolment ratio as well. It is vital in reducing social exclusion and promoting social inclusion. Training is positively correlated with a number of economic variables. Confirming that increasing access to quality education can lead to sustainable development. More opportunities for individuals and a more harmonious society that can help alleviate poverty but it ultimately helps promote a more just and prosperous society in the NCR and beyond.

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